

Message Text

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ACTION SCCT-01

INFO OCT-01 ARA-06 ISO-00 EB-07 COME-00 TRSE-00 CIAE-00

INR-07 NSAE-00 INRE-00 SSO-00 SS-15 NSC-05 NSCE-00

SY-05 USSS-00 L-02 /049 W

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O 181311Z APR 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 0841

LIMITED OFFICIAL USE SECTION 1 OF 2 BUENOS AIRES 2698

E.O. 11652: N/A

TAGS: ASEC, PINS

SUBJECT: EXTORTION DEMAND/THREAT AGAINST US BUSINESS

REF: A) STATE 082580

B) STATE 083056

1. ON APRIL 12, 1975 RSO BECKETT MET WITH TERESA KNOESTER, OFFICE MANAGER, SHEAFFER LATIN AMERICA CORP., 505 FIFTH AVE., NEW YORK, NEW YORK. MISS KNOESTER WAS ACCOMPANIED BY HER FATHER, DAVID C. KNOESTER. THE FOLLOWING IS INFORMATION FURNISHED BY MISS KNOESTER IN ESSENCE:
MR. ARMANDO DIGUGLIELMO HAD, ON MARCH 26TH, RECEIVED AT HIS HOME IN SAN ISIDRO A LETTER POSTMARKED IN MUNRO (ADJACENT SUBURBAN AREA) WITH A RETURN ADDRESS IDENTIFYING A MR. MARTINEZ. THE LETTER WAS TYPED ON A PIECE OF PLAIN BOND PAPER BEARING NO LETTERHEAD OR OTHER IDENTIFYING SYMBOL. THE OPENING LINE OF THE LETTER STATED THAT THE LETTER WAS ADDRESSED TO THE SHEAFFER CO. AND NOT TO MR. DIGUGLIELMO AND HIS FAMILY, BUT THAT HE AND HIS FAMILY WERE BEING HELD RESPONSIBLE FOR THE CARRYING OUT OF THE INSTRUCTIONS. THE LETTER ADVISED THAT THE COMPANY WAS TO PROVIDE \$100,000 IN US CURRENCY OR THE PESO EQUIVALENT THREE (3) MILLION. IN ADDITION, THE SHEAFFER CO. WOULD BE INSTRUCTED TO DISTRIBUTE A NUMBER OF

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FOUNTAIN PENS. DIGUGLIELMO WAS ADVISED THAT HE

WAS TO THINK OF A METHOD FOR DELIVERING THE MONEY WHICH HAD BEEN REQUESTED. THE LETTER CONTAINED VARIOUS FACTS ABOUT THE FAMILY. INCLUDED IN THESE FACTS WAS ERRONEOUS INFORMATION WHICH WAS ALSO RECORDED ON THE PEGONNEL FILE OF THE INDIVIDUAL IN THE OFFICE OF THE SHEAFFER CO. IN ARGENTINA. FURTHER, THE LETTER ADVISED THAT THE WRITER HAD INFORMATION CONCERNING ILLEGAL ACTIVITIES ON THE PWNT OF THE SHEAFFER CO. AND WOULD MAKE THESE AVAILABLE TO THE CENTRAL BANK IF THE DEMANDS WERE NOT MET. CONTENTS OF THE LETTER DIRECTED THAT THE NEW YORK OFFICE NOT BE CONTACTED UNTIL THE WRITER HAD ADVISED DIGUGLIELMO TO DO SO, AND NO ONE ELSE WAS TO BE INFORMED OF THE DEMANDS. THE LETTER WAS SIGNED COMMANDO SECTION-MONTONEROS. MISS KNOESTER DID NOT HAVE A COPY OF THE LETTER WITH HER.

2. MISS KNOESTER STATED THAT SHEAFFER CO. HAD TELEPHONICALLY CONTACTED THE NEW YORK OFFICE ON MARCH 26TH, INFORMING THEM OF THE EXISTING THREAT.

3. ON MARCH 27TH, A TELEPHONE CALL WAS RECEIVED FROM AN INDIVIDUAL IDENTIFYING HIMSELF AS MR. MARTINEZ. THE CALLER ADVISED DIGUGLIELMO TO IDENTIFY AN INDIVIDUAL WHO COULD ACT AS GO-BETWEEN AND THAT THEY WOULD CONDUCT AN INVESTIGATION ON THE PERSON TO DETERMINE IF HE WAS ACCEPTABLE. SUBSEQUENT TELEPHONE CALLS TOOK PLACE IN WHICH DIGUGLIELMO IDENTIFIED SEVERAL PEOPLE. ONE OF THE INDIVIDUALS WAS A PLANT EMPLOYEE BUT THE CALLER REFUSED TO MAKE USE OF THIS PERSON STATING HE HAD NO TELEPHONE. THE REQUIREMENTS WHICH HAD BEEN ESTABLISHED FOR THE GO-BETWEEN WWF THAT THE PERSON MUST BE OF HIGH CHARACTER, GOOD REPUTE, OWN AN AUTOMOBILE AND KNOW HOW TO DRIVE. A SECOND PERSON WAS IDENTIFIED AND SUBSEQUENTLY REFUSED BECAUSE MEMBERS OF THE FAMILY HAD CONNECTIONS WITH THE MILITARY. THE COMPANY TREASURER WAS ASKED IF HIS NAME COULD BE LIMITED OFFICIAL USE

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SUBMITTED AND REQUESTED THAT SUCH NOT TAKE PLACE SINCE HE WAS STARED TO BECOME INVOLVED. A DR. LORENTI, A CLOSE PERSONAL FRIEND OF DIGUGLIELMO, WAS FOUND TO BE ACCEPTABLE TO THE CALLER. THE CALLER ADVISED THAT ON THURSDAY, APRIL 17TH, 1975, SUBSEQUENT INSUTRCTIONS WOULD BE RECIEVED FOR DELIVERING THE MONEY. DIGUGLIELMO WAS INSTRUCTED TO WITHDRAW THE

MONEY FROM THE BANK IN SMALL SUMS SO AS NOT TO RAISE SUSPICION. THE INSTRUCTIONS CONCERNING THE DELIVERY DATE WERE GIVEN TO DIGUGLIELMO ON APRIL 11, 1975. IN ADDITION, PERIODICALLY THROUGHOUT THE VARIOUS CONVERSATION, THE CALLER INFORMED DIGUGLIELMO THAT HIS TELEPHONE WAS TAPPED AND IDENTIFIED TO HIM INDIVIDUALS WHO HAD BEEN CALLED AND PARTS OF THE CONVERSATION.

4. MISS KNOESTER ALSO STATED THAT THE NEW YORK OFFICE HAD INFORMATION WHICH INDICATED THAT TWO YEARS AGO WHEN THE PERONIST MOVEMENT WAS ELECTIONEERING THE PRESENT COMPANY'S TREASURER

HAD INFORMED THE GENERAL MANAGER, WHOM DIGUGLIELMO SUCCEEDED, THAT A DONATION SHOULD BE MADE TO THE PERONIST MOVEMENT, AND THAT HE COULD ARRANGE SUCH THROUGH A CONTACT OF HIS AT THE CENTRAL BANK. NO DONATION WAS MADE. LOCAL COMPANY IN ARGENTINA DOES NOT HAVE ADEQUATE FUNDING TO MEET \$100,000 NEEDS. IN NOVEMBER, 1974 \$76,000 IN US DOLLAR INCREMENT (CHECKS) WERE ERRONEOUSLY LEFT WITH THE COMPANY IN ARGENTINA. THE NEW YORK OFFICE ADVISED DIGUGLIELMO HE COULD USE THESE FUNDS CASHING THEM ON THE BLACK MARKET. IN ADDITION, MISS KNOESTER HAD WITH HER SUFFICIENT CHECKS TO MAKE UP THE DIFFERENCE. DIGUGLIELMO HAS BEEN CASHING THE \$76,000 IN CHECKS ON THE BLACK MARKET OVER THE PAST SEVERAL DAYS. IT WAS MISS KNOESTER'S OPINION THAT DIGUGLIELMO WAS HAVING THE TREASURER OF THE COMPANY NEGOTIATE THE EXCHANGE OF THE CHECKS FOR PESOS. UPON LIMITED OFFICIAL USE

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RECEIVING THE MONEY, DIGUGLIELMO WAS AFRAID TO KEEP THE AMOUNT OF MONEY IN HIS HOME OR AT THE PLANT, AND THEREFORE HAD DISTRIBUTED QUANTITIES OF IT AMONG TRUSTED EMPLOYEES FOR SAFEKEEPING UNTIL NEEDED.

5. MISS KNOESTER STATED THAT DIGUGLIELMO OWNED A HOME, A CAR, AND HAD A REASONABLE SAVINGS ACCOUNT IN THE U.S. HIS MONTHLY SALARY IS \$2,300 IN US CURRENCY PAID AND DEPOSITED IN AN ACCOUNT IN THE U.S. EACH MONTH HE RECEIVES LOCALLY 15,000 ARGENTINE PESOS. (AT CURRENT EXCHANGE RATE THIS IS BETWEEN \$400 AND \$500.) SHE FURTHER ADVISED THAT THE COMPANY HAD HAD

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INR-07 NSAE-00 INRE-00 SSO-00 SS-15 NSC-05 NSCE-00

SY-05 USSS-00 L-02 SCS-03 SCA-01 PPT-01 SIL-01 LAB-04

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FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 0842

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SOME LABOR PROBLEMS; THAT IN JANUARY 1975, THE TREASURER (FINANCIAL MANAGER) OF THE COMPANY HAD BEEN DISCHARGED AND IT WAS THOUGHT THAT HE MIGHT HAVE SOME LEFTIST TENDENCIES. MISS KNOESTER ADVISED THAT IF MR. DIGUGLIELMO DEPARTED THE COUNTRY, HER FATHER IDENTIFIED IN PARA 1 ABOVE, WOULD ASSUME THE GENERAL MANAGER POSITION. SHE STATED THAT THE NEW YORK OFFICE HAD SUGGESTED TO DIGUGLIELMO LEAVING THE COUNTRY, BUT HE HAD INFORMED THEM THAT HE WAS WORRIED ABOUT WHAT WOULD HAPPEN TO THE COMPANY OR THE PEOPLE WORKING THERE IF HE LEFT. SHE STATED THAT THE DIGUGLIELMO FAMILY WERE ARGENTINE WITH THE EXCEPTION OF ONE CHILD, WHO IS AN AMERICAN CITIZEN. SHE ALSO ADVISED THAT SHE WAS ARGENTINE.

6. RSO BECKETT ADVISED MISS KNOESTER THAT HE DID NOT BELIEVE THAT THE THREAT WAS ONE EMANATING FROM THE MONTONEROS. THAT IN HIS OPINION, THE THREAT CAME FROM A CRIMINAL ELEMENT POSSIBLY ASSOCIATED WITH SOMEONE IN THE FACTORY. THE BASIS FOR THIS OPINION IS FIRST OF ALL, THE NATURE OF THE EXTORTION ATTEMPT. HISTORICALLY, THE MONTONEROS HAVE NOT USED THIS FORM OF EXTORTION. THEIR BASIC METHOD OF OPERATION HAS BEEN TO KIDNAP, AND ONCE THE INDIVIDUAL IS IN THEIR POSSESSION TO MAKE THEIR DEMANDS. SECONDLY, THE LETTER ITSELF DOES NOT CONFORM TO THE GENERAL MONTONERO PATTERN. FIRST OF ALL, THERE IS NO LIMITED OFFICIAL USE

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"COMMANDO SECTION" OF THE MONTONEROS. THERE ARE COMMANDO UNITS, BUT THESE BEAR THE NAME OF A MONTONEROA WHO HAS BEEN KILLED. THESE PARTICULAR UNITS GENERALLY OPERATE IN PRESCRIBED AREAS WHICH CAN NORMALLY BE IDENTIFIED BY THE ARGENTINE POLICE. CORRESPONDENCE FROM THE MONTONEROS, WHICH REFLECT THREATS, NORMALLY BEARS THEIR NAME WRITTEN IN RED ON THE RIGHT TOP SIDE OF THEPAPER. IN ADDRESSING THE TARGET, THE INITIAL SENTENCE OF THE CORRESPONDENCE USUALLY STARTS OFF NAMING THE COMMANDO UNIT I.E. "COMMANDO SAN MARTIN HAS DETERMINED IN THE INTEREST OF THE FATHERLAND...ETC". MONTONEROS WILL NOT USUALLY THREATEN A VICTIM WITH EXPOSURE OF INTERNAL PROBLEMS TO THE GOVERNMENT WHICH INDICATE A MISDEED ON THE PART OF THE COMPANY. THE AMOUNT REQUESTED IS LESS THAN THAT NORMALLY DEMANDED BY MONTONEROS FOR ANY OF THEIR THREATS. USUALLY SUCH REQUESTS WILL EXCEED ONE-HALF MILLION DOLLARS (500,000). TO THIS MISS KNOESTER EPLIED THAT APPARENTLY SOMEONE IN THE COMPANY WAS FURNISHING INFORMATION SINCE SHEAFFER OF ARGETINA WAS NOT DIRECTLY CONNECTED WITH THE SHEAFFER CO. IN THE US AND COULD NOT PAY MILLIONS OF DOLLARS IN RANSOM MONEY.

7. SUBSEQUENTLY AT THE REQUEST OF THE RSO, MISS KNOESTER WAS REQUESTED TO MEET WITH THE LEGAL ATTACHE AND TO RELATE THE CIRCUMSTANCES CONCERNING THE EXTORTION ATTEMPT IN ORDER TO OBTAIN HIS EVALUATION. SUCH A MEETING WAS HELD AND MISS KNOESTER RELATED THE SAME INFORMATION THAT HAD BEEN FURNISHED THE RSO. THE LEGAL ATTACHE WITHOUT BEING ADVISED OF THE EVALUATION MADE BY THE RSO RENDERED THE SAME OPINION AND INFORMED MISS KNOESTER THT HE DID NOT BELIEVE THIS WAS A MONTONERO OPRATION BUT THAT IT WAS AN INSIDE COMPANY AFFAIR OR COMMON CRIMINALS. HE ALSO STATED THAT OF COURSE HE COULD BE IN ERROR.

8. MISS KNOESTER WAS INFOMED THAT ASSISTANCE COUD BE RENDERED AS FOLLOWS: A) IF MR. DIGUGLIELMO AND HIS FAMILY DESIRED VISAS FOR THE US SUCH COULD BE ARRANGED (THIS WAS DONE AFTER CHECKING WITH THE CONSULATE GENERAL). B) THAT IF MR. DIGUGLIELMO WANTED TO REMAIN IN ARGENTINA, VISAS COULD BE ARRANGED FOR HIS FAMILY. C) THAT IF THE SHEAFFER CO. AND MR. DIGUGLIELMO DESIRED, THE EXTORTION THREAT COULD BE MADE AVAILABEL TO ARGENTINE LAW ENFORCEMENT ELEMENTS AT THE HIGHEST LEVEL. MISS KNOWESTER WAS INFORMED THAT EMBASSY REPRESENTATIVES WOULD TAKE NO ACTION TO INFORM THE ARGENTINE GOVERNMENT OF THE INCIDENT UNLESS

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MR. DIGUGLIELMO AND THE SHEAFFER CO. DESIRED SUCH. MISS KNOESTER WAS REQUESTED TO CONTACT THE RSO OR LEGATT SHOULD

FURTHER ASSISTANCE BE NEEDED. SHE STATED THAT MR. DIGUGLIELMO WAS UPSET WHEN HE FOUND OUT THAT THE SHEAFFER CO HAD CONTACTED THE STATE DEPARTMENT AND SUBSEQUENTLY CONTACTED THE RSO; THAT IT WAS THE FEELINGS OF THE SHEAFFER CO THAT THE MATTEER WAS PROBABLY AN INSIDE COMPANY JOB AND THAT SHE HAD BEEN INSTRUCTED TO LEAVE DECISIONS WITH RESPECT TO WHAT TO DO UP TO MR. DIGUGLIELMO.

9. KNOESTER CALLED AT THE EMBASSY AT 1615 ON APR 14 AND ADVISED THE LEGAL ATTACHE THAT SHE HAD NOT BEEN ABLE TO PERSONALLY RECONTACT DIGUGLIELMO IN APR 14 AND 15. SHE INDICATED THAT SHE HOPED TO PERSONALLY SPEAK TO DIGUGLIELMO DURING THE EVENING OF APR 15. SHE REQUESTED EMBASSY ASSISTANCE IN SECURING B-2 VISAS FOR MRS. DIGUGLIELMO AND TWO OF THE DIGUGLIELMO CHILDREN. SHE NOTED THAT DIGUGLIELMO ALREADY HAD A VALID VISA AND ANOTHER OF THE DIGUGLIELMO CHILDREN WAS A US CITIZEN AND HAD A CURRENT US PASSPORT. SHE ADVISED THE DIGUGLIELMO CHILDREN WERE BEING HIDDEN IN TIGRE (BY FAMILY FRIENDS), BUENOS AIRES PROVINCE AND IT WAS PROJECTED THAT THE CHILDREN WOULD TRAVEL TO CARMELO, URUGUAY BY BOAT DURING THE EVENING OF APR 15 AND TRAVEL BY AIR FROM MMONTEVIDEO TO THE US ON APR 16. ACCORDING TO KNOESTER, DIGUGLIELMO AND HIS WIFE PLAN TO TRAVEL TO MEXICO LATER ON DURING THE WEEK, HOWEVER, PLANS IN THIS REGARD WERE NOT FIRM. B-2 VISAS WERE IMMEDIATELY SECURED PER KNOESTERS REQUEST.

10. ON APR 15, MISS KNOESTER APPEARED AT THE EMBASSY AND INFORMED THE RSO AND THE LEGAL ATTACHE OF THE FOLLOWING: DIGUGLIELMO HAD ELECTED TO PAY THE REQUESTED \$100,00 IN ARGENTINE PESOS; HE DID NOT WANT THE MATTER BROUGHT TO THE ATTENTION OF ARGENTINE AUTHORITIES; AS AN ARGENTINE CITIZEN HE WAS FULLY AWARE THAT THE PAYMENT OF EXTORTION MONEY WITHIN ARGENTINA CONSTITUTED A FELONY; THAT HE AND HIS FAMILY WOULD DEPART ARGENTINA IMMEDIATELY AFTER PAYMENT OF THE REQUESTED AMOUNT. SHE STATED THAT SHE HAD ADVISED DIGUGLIELMO OF THE OPINION OF THE LEGAL ATTACHE AND RSO. SHE REQUESTED ASSISTANCE AND OBTAINED NEW US PASSPORT FOR THE SON WHO IS A US CITIZEN. SHE ADVISED THAT THE FAMILY WOULD DEPART ARGENTINA ON FRIDAY APR 18. MISS KNOESTER WAS INFORMED THAT THE VISAS OBTAINED LIMITED OFFICIAL USE

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FOR DIGUGLIELMO AND HIS FAMILY WERE TOURIST VISAS NOT IMMIGRANT VISAS. MISS KNOESTER STATED THAT DIGUGLIELMO HAD EXPRESSED THE INTENTION OF SETTLING IN MEXICO. SHE WAS ALSO ADVISED THAT THESE VISAS DID NOT CONSTITUTE A WORK PERMIT. PASSPORT ALONG WITH VISAS WHICH HAD BEEN REQUESTED ON APR 14 WERE RELEASED TO HER. NECESSARY FORMS FOR OBTAINING A NEW US PASSPORT WERE PROVIDED BY THE CONSULATE SECTION.

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